



COUNCIL CHAMBERS

17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

COUNCIL MEMBERS

Dennis Kennedy, Mayor
Greg Sellers, Mayor Pro Tempore
Larry Carr, Council Member
Hedy Chang, Council Member
Steve Tate, Council Member

REDEVELOPMENT AGENCY

Dennis Kennedy, Chair
Greg Sellers, Vice-Chair
Larry Carr, Agency Member
Hedy L. Chang, Agency Member
Steve Tate, Agency Member

MORGAN HILL FINANCING AUTHORITY

Dennis Kennedy, President
Greg Sellers, Vice-President
Larry Carr, Commission Member
Hedy L. Chang, Commission Member
Steve Tate, Commission Member

PARKS & RECREATION COMMISSION

Mark Frederick, Chair
Daniel J. Kenney, Vice-Chair
Laura Hagiperos, Commission Member
Rick Page, Commission Member
Craig van Keulen, Commission Member

WEDNESDAY, FEBRUARY 18, 2004

AGENDA

JOINT MEETING

CITY COUNCIL SPECIAL AND REGULAR MEETING

And

REDEVELOPMENT AGENCY SPECIAL MEETING

And

MORGAN HILL FINANCING AUTHORITY COMMISSION MEETING

5:00 P.M.

A Special Meeting of the City Council, Redevelopment Agency, and Morgan Hill Financing Authority Commission is called at 5:00 P.M. for the Purpose of Conducting Closed Sessions and a Joint Workshop with the Parks and Recreation Commission.

Dennis Kennedy, Mayor/Chairman/President

CALL TO ORDER

(Mayor/Chairperson/President Kennedy)

ROLL CALL ATTENDANCE

(City Clerk/Agency Secretary/Commission Secretary Torrez)

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2

(City Clerk/Agency Secretary/Commission Secretary Torrez)

5:00 P.M.

City Council Action and Redevelopment Agency Action

CLOSED SESSION:

1.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Authority: Government Code Sections 54956.9(b) & (c)

Number of Potential Cases: 4

2.

CONFERENCE WITH LABOR NEGOTIATOR:

Legal Authority: Government Code Section 54957.6

Agency Negotiators: City Manager; City Attorney; Human Resources Director

Employee Organizations: AFSCME Local 101
Morgan Hill Community Service Officers Association
Morgan Hill Police Officers Association

Unrepresented Employees: Custodian/Building Maintenance Worker
Government Access Technician
Maintenance Worker Assistant
Utility Worker Assistant

Executive Management Group 1-A

Chief of Police
Director of Business Assistance & Housing Services
Director of Community Development
Director of Finance
Director of Public Works/City Engineer
Human Resources Director
Recreation and Community Services Manager
Assistant to the city Manager
Council Services and Records Manager

Middle Management Group 1-B

Police Lieutenant

Deputy Director of Public Works
Assistant City Attorney
Assistant Director of Finance
Chief Building Official
Human Resources Supervisor
Planning Manager
Senior Civil Engineer
Senior Project Manager/Community Buildings
Budget Manager
Business Assistance and Housing Services Manager
Police Support Services Supervisor
Senior Planner
Project Manager
Utility Systems Manager
Recreation Supervisor
Secretary to the City Manager

Confidential Non-Exempt Employees Group 1-C
Administrative Analyst
Secretary to the City Attorney
Accounting Technician
Human Resources Assistant

3.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Legal Authority: Government Code 54957
Public Employee Performance Evaluation: City Manager
Attendees: City Council, City Manager

4.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Legal Authority: Government Code section 54956.9(a)
Case Name: Hacienda Valley Mobile Estates v. City of Morgan Hill
Case Number: Santa Clara County Superior, Case No. CV 80-7708

5.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Legal Authority: Government Code Section 54965.9(a)
Case Name: Morgan Hill Unified School District v. Minter & Fahy
Case No.: Santa Clara County Superior Court, No. CV 772368
Attendees: City Council, City Manager, City Attorney, Mark Strombotne,
Special Counsel

6.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Legal Authority: Government Code section 54956.9(a)
Case Name: Allivato v. City of Morgan Hill et al.
Case Number: Santa Clara County Superior CV 810111
Attendees: City Attorney, City Manager

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

RECONVENE

CLOSED SESSION ANNOUNCEMENT

6:00 P.M.

City Council and Parks & Recreation Commission Action

WORKSHOP:

	Time Estimate		Page
1.	45 Minutes	<u>AGENDA ITEMS FOR JOINT COUNCIL AND PARKS AND RECREATION COMMISSION WORKSHOP</u>	1
		<u>Recommended Action(s):</u> <u>Approve</u> the Agenda, and <u>Prepare</u> to Discuss the Items During the Workshop.	

ADJOURN JOINT MEETING OF CITY COUNCIL AND PARKS & RECREATION COMMISSION

7:00 P.M.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

INTRODUCTION

Bruce Cumming
Interim Chief of Police

CITY COUNCIL REPORT

Council Member Carr

CITY COUNCIL SUB-COMMITTEE REPORTS

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PUBLIC COMMENT

NOW IS THE TIME FOR COMMENTS FROM THE PUBLIC REGARDING ITEMS NOT ON THIS AGENDA.
(See notice attached to the end of this agenda.)
PUBLIC COMMENTS ON ITEMS APPEARING ON THIS AGENDA WILL BE TAKEN AT THE TIME

**THE ITEM IS ADDRESSED BY THE COUNCIL. PLEASE COMPLETE A SPEAKER CARD AND
PRESENT IT TO THE CITY CLERK.**

(See notice attached to the end of this agenda.)

**PLEASE SUBMIT WRITTEN CORRESPONDENCE TO THE CITY CLERK/AGENCY SECRETARY. THE
CITY CLERK/AGENCY SECRETARY WILL FORWARD CORRESPONDENCE TO THE CITY
COUNCIL/REDEVELOPMENT AGENCY.**

City Council Action

CONSENT CALENDAR:

ITEMS 2-17 The Consent Calendar may be acted upon with one motion, a second and the vote, by each respective Agency. The Consent Calendar items are of a routine or generally uncontested nature and may be acted upon with one motion. Pursuant to Section 5.1 of the City Council Rules of Conduct, any member of the Council or public may request to have an item pulled from the Consent Calendar to be acted upon individually.

Time Estimate

Page

Consent Calendar: 1 - 10 Minutes

2. **JANUARY 2004 FINANCE & INVESTMENT REPORT** 3
Recommended Action(s): Accept and File Report.
3. **PERFORMANCE MEASURE UPDATE – SECOND QUARTER FISCAL YEAR 2003-2004** 29
Recommended Action(s): Receive and File.
4. **STATUS OF GOALS ADOPTED BY THE CITY COUNCIL ON FEBRUARY 26, 2003** 41
Recommended Action(s): Accept Report on the Status of Goals Adopted by the City Council on February 26, 2003.
5. **RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDSCS) 2003 QUARTERLY REPORT #4** 49
Recommended Action(s): Accept and File the RDSCS Fourth Quarter Report for 2003.
6. **SUBDIVISION APPLICATION, SD-03-12: SAN PEDRO-DICONZA** 75
Recommended Action(s): Take No Action, Thereby Concurring with the Planning Commission's Decision Regarding Approval of the Subdivision Map.
7. **REIMBURSEMENT FOR PUBLIC IMPROVEMENTS BY COYOTE CREEK ESTATES (TRACT 9396)** 117
Recommended Action(s):
 1. Approve Appropriation of \$38,656 from Current Year Unappropriated Measure P Capital Improvement Fund (CIP) to fund this Reimbursement; and
 2. Authorize the City Manager to Execute the Reimbursement Agreement on Behalf of the City.
8. **AQUATICS CENTER PROJECT – JANUARY CONSTRUCTION PROGRESS REPORT** 127
Recommended Action(s): Information Only.

Time Estimate

Consent Calendar: 1 - 10 Minutes

Page

9. **ACCEPTANCE OF SAN PEDRO POND FENCING PROJECT** 135
Recommended Action(s):
 1. **Accept** as Complete the San Pedro Ponds Fencing Project in the Final Amount of \$74,706.18; and
 2. **Direct** the City Clerk to File the Notice of Completion with the County Recorder's Office.

10. **GALVAN PARK HANDBALL COURT AND LANDSCAPE BEAUTIFICATION PROJECT** 139
Recommended Action(s):
 1. **Accept** as Complete the Galvan Park Handball Court and Landscape Beautification Project in the Final Amount of \$63,954.00; and
 2. **Direct** the City Clerk to File the Notice of Completion with the County Recorder's Office.

11. **APPROVE FILING OF PROPOSITION 40 GRANT APPLICATION FOR THE COMMUNITY PARK IMPROVEMENT PROJECT** 143
Recommended Action(s):
 1. **Adopt** Resolution Approving the Filing of an Application for Local Assistance Funds From the Proposition 40 Per Capita Grant Program Under the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002; and
 2. **Designate** the City Manager as the Authorized Agent to Submit and Execute All Documents Related to the Grant.

12. **APPROVE PURCHASE OF NEW SEWER FLUSHER** 147
Recommended Action(s):
 1. **Approve** the Purchase of a 2004 "Vac-Con" Hydraulic Sewer Cleaner for the Sewer Division at a Total Price of \$208,564.10 in Accordance with Section 3.04.150.B and Section 3.04.180 of the Municipal Code – Purchase Through another Government Entity; and
 2. **Declare** R87101 (Pickup Truck) and S87112 (1987 Vactor Hydraulic Sewer Cleaner) as Surplus Equipment.

13. **APPROVE COUNCIL POLICY REGARDING DELEGATION OF AUTHORITY TO SETTLE CLAIMS AND LAWSUITS** 153
Recommended Action(s): **Approve** Council Policy 04-01 Regarding Delegation of Authority to Settle Claims and Lawsuits.

14. **APPROVE PURCHASE OF CMAS PRODUCTS FOR THE FURNISHINGS, FIXTURES, AND EQUIPMENT (FF&E) FOR THE NEW POLICE FACILITY** 161
Recommended Action(s): **Authorize** the City Manager to Approve a Purchase Order in the Amount of \$68,340.25 to Partners in Progressive Storage Solutions for the Furniture, Fixtures and Equipment (FF&E) at the New Police Facility.

15. **ADOPT ORDINANCE NO. 1654, NEW SERIES** 163
Recommended Action(s): **Waive** the Reading, and **Adopt** Ordinance No. 1654, New Series, and **Declare** That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DEVELOPMENT AGREEMENT, DA 03-14 FOR MP 02-19: EAST CENTRAL - WARMINGTON (APNs 726-20-003 & 726-28-048 through 052).**

16. **THE LOCAL TAXPAYERS AND PUBLIC SAFETY PROTECTION ACT** 167
Recommended Action(s): **Adopt** the Resolution in Support of the State-wide Ballot Initiative.

Time Estimate
Consent Calendar: 1 - 10 Minutes

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17. **MID-YEAR 2003-2004 BUDGET ADJUSTMENTS**..... 177
Recommended Action(s): Approve Proposed Mid-Year Budget Adjustments for Fiscal Year 2003-2004.

City Council, Redevelopment Agency, and Financing Authority Commission Action

CONSENT CALENDAR:

ITEM 18

Time Estimate
Consent Calendar: 1 - 10 Minutes

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18. **APPROVE MINUTES OF JOINT SPECIAL AND REGULAR CITY COUNCIL, SPECIAL
REDEVELOPMENT AGENCY, AND MORGAN HILL FINANCING AUTHORITY
COMMISSION MEETING OF FEBRUARY 4, 2004** 197

City Council Action

PUBLIC HEARINGS:

Time Estimate

Page

19. **5 Minutes** **ZONING AMENDMENT, ZA-03-14/ DEVELOPMENT AGREEMENT, DA-03-11:
SAN PEDRO-DICONZA**227
Public Hearing Opened.
Please Limit Your Remarks to 3 Minutes. Public Hearing Closed
Council Discussion.
Action- **Approve** Mitigated Negative Declaration.
Action- **Motion to Waive** the Reading in Full of Zoning Amendment Ordinance.
Action- **Motion to Introduce** Zoning Amendment Ordinance by Title Only. (Roll
Call Vote)
Action- **Motion to Waive** the Reading in Full of Development Agreement
Ordinance.
Action- **Motion to Introduce** Development Agreement Ordinance by Title Only.
(Roll Call Vote)
20. **10 Minutes** **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) RE-
PROGRAMMING OF FUNDS FOR DAYWORKER CENTER**271
Public Hearing Opened.
Please Limit Your Remarks to 3 Minutes. Public Hearing Closed
Council Discussion.
Action- **Approve** Re-Programming of Fiscal Year 2003-2004 CDBG Funds; and
Action- **Authorize** the City Manager to do Everything Necessary and Appropriate
to Re-Program CDBG Funds, Including the Execution of All Required
Documents to Transfer Funds to the Day Worker Project.

PUBLIC HEARINGS:

	Time Estimate		Page
21.	2 Minutes	<u>ZONING AMENDMENT, ZA-03-19: CITY OF MORGAN HILL – ZONING TEXT AMENDMENT/ COMMUNITY ACTIVITY SIGNS AND CHANGEABLE COPY SIGNS FOR PUBLIC AGENCIES, SCHOOLS, PLAYHOUSES AND RELIGIOUS INSTITUTIONS</u> (Continued from 1/21/04).....	275
		Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed Council Discussion. Action- <u>Open</u> and <u>Continue</u> Public Hearing to March 17, 2004.	
22.	40 Minutes	<u>ZONING AMENDMENT, ZA-03-10 / SUBDIVISION APPLICATION, SD-03-08/ DEVELOPMENT AGREEMENT, DA-03-06: WATSONVILLE-SOUTH COUNTY HOUSING</u> (Continued from 12/17/03).....	277
		Public Hearing Opened. Please Limit Your Remarks to 3 Minutes. Public Hearing Closed Council Discussion. Action- <u>Open Public Hearing</u> and <u>Continue</u> to March 24, 2004; and Action- <u>Give Direction</u> to Staff and Applicant Regarding Appropriate Project Density.	

Redevelopment Agency Action

OTHER BUSINESS:

	Time Estimate		Page
23.	5 Minutes	<u>WATSONVILLE ROAD TEACHER HOUSING PROJECT – FIRST AMENDMENT TO THE PREDEVELOPMENT LOAN AGREEMENT</u>	295
		<u>Recommended Action(s):</u> 1. <u>Approve</u> the First Amendment to the Predevelopment Loan Agreement with South County Housing Corporation (SCH), Increasing the Loan Amount by \$100,000; and 2. <u>Authorize</u> the Executive Director to Execute the Agreement.	

City Council and Redevelopment Agency Action

OTHER BUSINESS:

	Time Estimate		Page
24.	10 Minutes	<u>OFF-SITE IMPROVEMENTS FOR DAY WORKER CENTER</u>	301
		<u>Recommended Action(s):</u> <i>Acting as City Council:</i> 1. <u>Adopt</u> City Council Resolution Making Findings Required by California Redevelopment Law; <i>Acting As Redevelopment Agency:</i> 2. <u>Adopt</u> Redevelopment Agency Resolution Making Findings Required by California Redevelopment Law; and 3. <u>Authorize</u> the Executive Director, Subject to City Attorney Review and Approval, to do Everything Necessary to Modify, Execute and Implement Loan Agreements with the Day Worker Committee or its Designee for an Amount not to Exceed \$15,000; and Weston-Miles Architects for an Amount Not to Exceed \$180,000, to Install Off-site Improvements for the Day Worker Center Located on Depot Street.	

OTHER BUSINESS:

	Time Estimate		Page
25.	15 Minutes	<u>DOWNTOWN REQUEST FOR CONCEPTS PROCESS</u>	325
		<u>Recommended Action(s):</u>	
		<i>Acting as City Council:</i>	
		1. <u>Accept</u> the Council's Economic Development (ED) Subcommittee Recommendations Regarding the "Quick Hitter" and "Information Gathering" Proposals under the Downtown Request for Concepts (RFC) Process as Described in the Staff Report's Table;	
		<i>Acting As Redevelopment Agency:</i>	
		2. <u>Authorize</u> the Executive Director to do Everything Necessary and Appropriate to Implement the Recommendations, Including Preparing and Executing Documents for Triple Facade Grants and Loans, Not to Exceed the Recommended Amounts; and	
		<i>Acting as City Council:</i>	
		3. <u>Direct</u> the Economic Development Subcommittee to Issue the Request for Proposals to the Recommended Applicants.	

City Council Action

OTHER BUSINESS:

	Time Estimate		Page
26.	15 Minutes	<u>UPDATE ON MEDICAL SERVICES OBJECTIVES</u>	331
		<u>Recommended Action(s): Consider Report</u> , with Recommendation, From the Morgan Hill Community Health Foundation and DePaul Health Center.	
27.	5 Minutes	<u>REQUEST FOR COUNCIL CO-SPONSORSHIP OF SILICON VALLEY ONE BOOK ONE COMMUNITY READS</u>	337
		<u>Recommended Action(s): Consider Request</u> From Silicon Valley Reads for City Co-sponsorship of Silicon Valley One Book, One Community Reads' Upcoming March 7, 2004 Event.	
28.	20 Minutes	<u>CITY COUNCIL POLICIES AND GOALS FOR 2004</u>	341
		<u>Recommended Action(s):</u>	
		1. <u>Consider</u> ; the Draft Statement of City Council Policies and Goals for 2004;	
		2. <u>Revise</u> as appropriate; and	
		3. <u>Adopt</u> the City Council Policies and Goals for 2004.	
29.	15 Minutes	<u>CITY POSITION ON PROPOSITION 56, 57, AND 58</u>	347
		<u>Recommended Action(s): Council Discretion.</u>	
30.	5 Minutes	<u>REQUEST TO CONSIDER THE REDEVELOPMENT AGENCY FEBRUARY 25, 2004 MEETING</u>	359
		<u>Recommended Action(s): Consider</u> Mayor's Request to Cancel the February 25, 2004 Redevelopment Agency Meeting.	

FUTURE COUNCIL-INITIATED AGENDA ITEMS:

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURNMENT